



## Integrated System News Bulletin

### Partial Payment for Medi-Cal Claims Without Good Cause

Attention: SD/Medi-Cal Providers

#### STOP – Impact to You

DMH has reached an agreement with the State Department of Mental Health (SDMH) to begin sending Medi-Cal claims that are submitted more than six months after the month of service, but less than 13 months after the month of service, and do not have good cause for the late submission or a valid late code.

#### CAUTION – What You Need to Know

Historically, State Department of Health Services (SDHS) has not reimbursed partial payments for Short-Doyle/Medi-Cal (SD/MC) services. SDHS does make partial payments for Medi-Cal claims for physical health. Partial payments means payments are reimbursed at 75% if the claim is submitted seven to nine months after the month of service; or at 50% if the claim is submitted ten to twelve months after the month of service. LAC DMH and County Counsel challenged this practice with SDHS and, while a final agreement has not yet been reached, SDHS has agreed on the following:

- County and State to continue pursuing an agreement to accept and reimburse claims on a partial reimbursement.
- SDMH to accept these claims beyond 6 months old without a late code from the County in a separate batch file so that they can be time stamped in the event an agreement on partial payments is reached.



#### GO – What You Need to Do

You will be able to begin submitting claims more than 6 months old that do not have a valid late code in early to mid-June; the exact date will be communicated to you shortly. Since the Integrated System (IS) requires a late code if the submit date is beyond the six month window, you are to use late code 3 for these claims if you do not have a valid late code. Sierra Systems Group (the IS vendor) will lift the IS deny rule on late code 3 to allow the service to be claimed, and will then remove late code 3 before the claim file is sent to the State. After the modifications are made to the IS, users will be informed via an IS Alert that they may begin claiming the 75% and/or 50% partial payments by entering late code 3. We do not know nor can we specify whether the claim should be reimbursed

at the 50% or 75% level; the State handles that determination based on the date of service. Please note, use of late code 3 may result in only partial payments; if you have good cause (a valid late code) to apply to a claim, by all means use it.

Please call the Help Desk at (213) 351-1335 if you have questions about partial payments.